



Australian Government

Department of Home Affairs

AusCheck

COST RECOVERY IMPLEMENTATION STATEMENT

2024

Charging for regulatory activity involves government entities charging individuals or organisations in the non-government sector, some or all of the minimum efficient costs, of a specific government activity. The Australian Government Charging Policy, which includes the Cost Recovery Policy sets out the policy under which government entities design, implement and review charging for regulatory activities. The Cost Recovery Implementation Statement (CRIS) is the public document to ensure the transparency and accountability for the level of the charging and to demonstrate that the purpose for charging, as decided by Government, is being achieved.

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1. INTRODUCTION

AusCheck provides background checking services to the aviation, maritime, health and critical infrastructure sectors and declared major national events.

AusCheck is to recover the costs of its services, which include checks under the *AusCheck Act 2007*, *Aviation Transport Security Act 2004*, *Maritime Transport and Offshore Facilities Security Act 2003*, *National Health Security Act 2007* and *Security of Critical Infrastructure Act 2018*. A Cost Recovery Implementation Statement (CRIS) is required under the Australian Government Charging Framework.¹

1.1. Purpose of the CRIS

This Cost Recovery Implementation Statement (CRIS) provides information on how AusCheck implements cost recovery charging for background checking and card issuance activities. It reports actual financial and non-financial performance information for background check activities and contains financial and demand forecasts for 2024-25 and two forward years. AusCheck operates in accordance with the Australian Government Charging Policy, which requires beneficiaries of government services to cover the associated program costs.

1.2. Description of Regulatory Activity

AusCheck charges for the delivery of background checks for the following schemes:

Table 1: Legislative basis for AusCheck Schemes

#	Scheme	Decision-Making Authority
1	Aviation Security Identification Card (ASIC)	<i>Aviation Transport Security Act 2004</i> and <i>Aviation Transport Security Regulations 2005</i> (Aviation Regulations)
2	Maritime Security Identification Card (MSIC)	<i>Maritime Transport and Offshore Facilities Security Act 2003</i> and <i>Maritime Transport and Offshore Facilities Security Regulations 2003</i> (Maritime Regulations)
3	Security Sensitive Biological Agents (SSBA) ²	<i>National Health Security Act 2007</i> and SSBA Standards 2013 (SSBA Standards)
4	Major National Events (MNE)	<i>AusCheck Act 2007</i> and <i>AusCheck Regulations 2017</i> (AusCheck Regulations)
5	Security of Critical Infrastructure (SOCI) ³	<i>SOCI Act 2018</i> (SOCI Act) and Security of Critical Infrastructure (Critical infrastructure risk management program) Rules (LIN 23/006) 2023 (CIRMP Rules)
6	Naval Shipbuilding and Sustainment Identity Card (NSSIC)	SOCI Act and Security of Critical Infrastructure (Naval shipbuilding precinct) Rules (LIN 23/007) 2023 (NSSIC Rules)

¹ Implementing the Charging Framework (RMG 302) | Department of Finance.

² The SSBA scheme utilises the National Health Security Checks to meet its legislative requirements.

³ The SOCI utilises the Critical Infrastructure Background Checks to meets its legislative requirements.

AusCheck's services will also be extended to the migration service industry through a strengthened 'fit and proper person' assessment for Registered Migration Agents, subject to the passage of legislation. Background checks undertaken by AusCheck are similar across each check type. The components of AusCheck's different schemes are summarised as follows:

Table 2: Summary of AusCheck's Scheme Components

Scheme	Identity Verified	Vevo Check	National Security Assessment	Criminal History Assessment	Criminal Intelligence Assessment	Required to Self-Report New Convictions	Validity Period
ASIC	✓	✓	✓	✓	✓	✓	2 years
MSIC	✓	✓	✓	✓	✓	✓	2 or 4 years
SSBA	✓	✓	✓	✓	✗	✓	2 years
MNE	✓	✓	✓	✓	✗	✗	Event's end
SOCI	✓	✓	✓	✓	✗	✓	As required by SOCI entity/ies
NSSIC	✓	✓	✓	✓	✗	✓	2 years

The specific business processes for which AusCheck charges are outlined in section 3 of this document.

Individuals must apply for background checks through an Issuing Body (under the ASIC and MSIC schemes), Organising Body (MNE), 'Registered Entity' (SSBA), or a 'Responsible Entity' (SOCI/NSSIC). The Issuing Body, Organising Body, Registered Entity or Responsible Entity then submits the application to AusCheck to coordinate the background check.

AusCheck also functions as an Issuing Body for the purposes of the ASIC and MSIC schemes. For clarity, the AusCheck Issuing Body is referred to as AIB, and the team responsible for background checks is referred to as AusCheck.

Upon receiving a completed application from an Issuing Body (government or non-government), Organising Body, Registered Entity or Responsible Entity, AusCheck coordinates a background check for the applicant. Once the background check is complete, AusCheck advises the Issuing Body, Organising Body, Registered Entity or Responsible Entity on the individual's eligibility to be issued an accreditation.

AusCheck recovers the costs associated with conducting background checks and does not control the charges imposed by external entities on individual applicants. The AIB recovers the costs through fees outlined in its operational guidelines or legislative framework.

2. POLICY AND STATUTORY AUTHORITY TO CHARGE (COST RECOVER)

2.1. Government Policy Approval

In December 2005, the Australian Government agreed to establish a centralised government background checking coordination unit, AusCheck, to commence operations from 1 July 2007. The AusCheck Bill 2006 Explanatory Memorandum,⁴ circulated by the Attorney-General, articulated the intention for AusCheck to recover costs for conducting background checks, ensuring expenses related to background checks are covered by the fees charged.

Initially outlined in the 2003-04 Budget,⁵ with specific allocations and the cost recovery model for AusCheck detailed in the 2006-07 Budget Papers by the Attorney-General.⁶ Updates to the cost recovery framework were subsequently implemented, as outlined in the 2011-12,⁷ 2013-14,⁸ 2021-22,⁹ and 2023-24¹⁰ Budgets.

Recent government decisions have focused on Issuing Body Reform, with AusCheck to become the single issuing body for ASICs and MSICs. The 2020-21 Budget initiated this reform, while adjustments in the 2021-22 and 2023-24 budgets were made to support new schemes and refine AusCheck's cost recovery arrangements.

The Issuing Body Reform has introduced several new activities for AusCheck, including extensive industry consultation activities, upgrades to and maintenance of ICT infrastructure, and the establishment of a service desk and capabilities for card issuance and in person identity verification. These new functions are crucial components of AusCheck's expanded responsibilities and are incorporated into its cost recovery arrangements.

2.2. Statutory Authority to Charge

Subsection 18(2) of the *AusCheck Act 2007*¹¹ provides for charging and recovery of fees and other charges related to the delivery of background checking services. Section 30 of the *AusCheck Regulations 2017*¹² authorises the Secretary of Home Affairs to impose a fee for a background check by AusCheck.

Regulation 6.60 of the *Aviation Transport Security Regulations 2005*¹³ provides statutory authority for an issuing body to charge fees to recover costs and expenses reasonably incurred by the body in relation to the issue of an ASIC.

Regulation 6.09A of the *Maritime Transport and Offshore Facilities Security Regulations 2003*¹⁴ provides statutory authority for an issuing body to charge fees to recover costs and expenses reasonably incurred by the body in relation to the issue of an MSIC.

AusCheck also administers background checks for the following schemes:

- National Health Security (NHS) scheme, in the Security Sensitive Biological Agent Standards made under Part 3 of the *National Health Security Act 2007*
- The Major National Events (MNE) scheme under the *AusCheck Regulations 2017*
- The Critical Infrastructure Risk Management Program (CIRMP) scheme in Part 2A of the *Security of Critical Infrastructure Act 2018*

⁴ AusCheck Bill 2006 Explanatory Memorandum (austlii.edu.au)

⁵ Budget 2003-04

⁶ Budget 2006-07

⁷ Budget 2011-12

⁸ Budget 2013-14

⁹ Budget 2021-22

¹⁰ Budget 2023-24

¹¹ AusCheck Act 2007 – Parliament of Australia (aph.gov.au)

¹² Federal Register of Legislation - AusCheck Regulations 2017

¹³ Federal Register of Legislation - Aviation Transport Security Regulations 2005

¹⁴ Federal Register of Legislation - Maritime Transport and Offshore Facilities Security Regulations 2003

3. CHARGING (COST RECOVERY) MODEL

3.1. Activities, Outputs and Business Processes

To ensure consistent service delivery and procedural fairness, AusCheck undertakes standardised background checking processes. Diagrams 1 and 2 below summarise the processes and resulting outputs associated with each scheme category.

In addition to the outlined processes below in which Aviation and Maritime Security Identification Card applicants are subject to additional background checks compared to other schemes, exceptions exist for applicants under the age of 18, who are not subject to the usual Criminal History Check process in schemes for which applicants under the age of 18 are eligible.

Diagram 1: ASIC/MISC Background Check – Breakdown of processes and Outputs

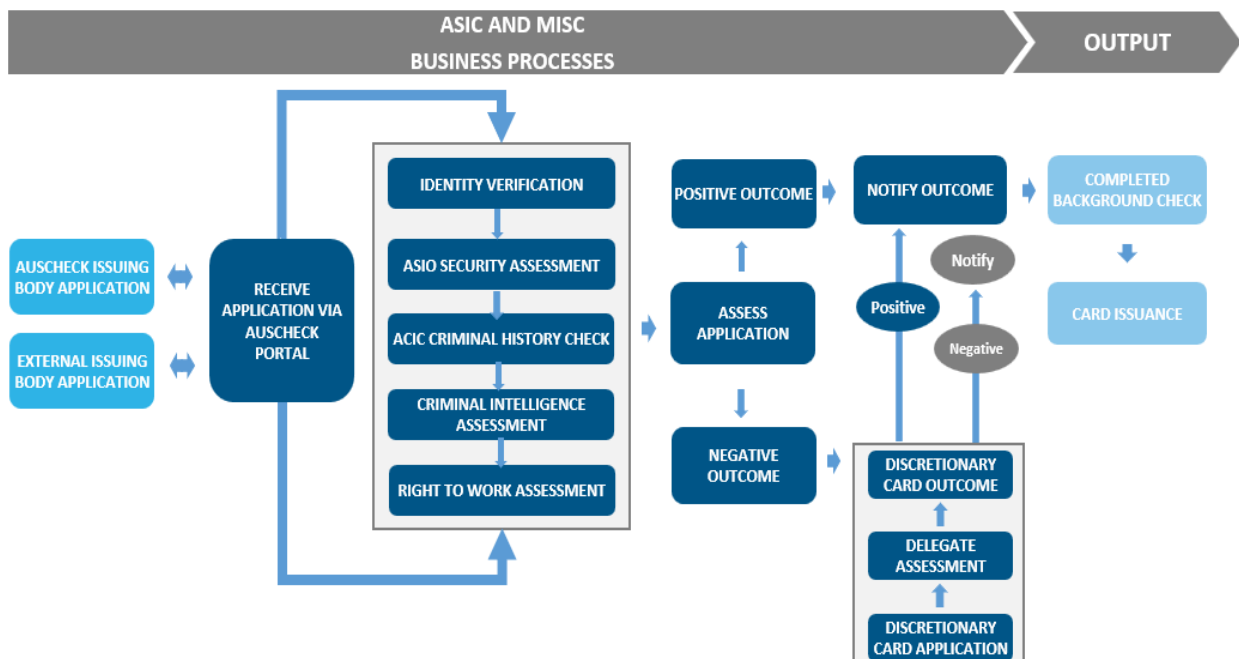
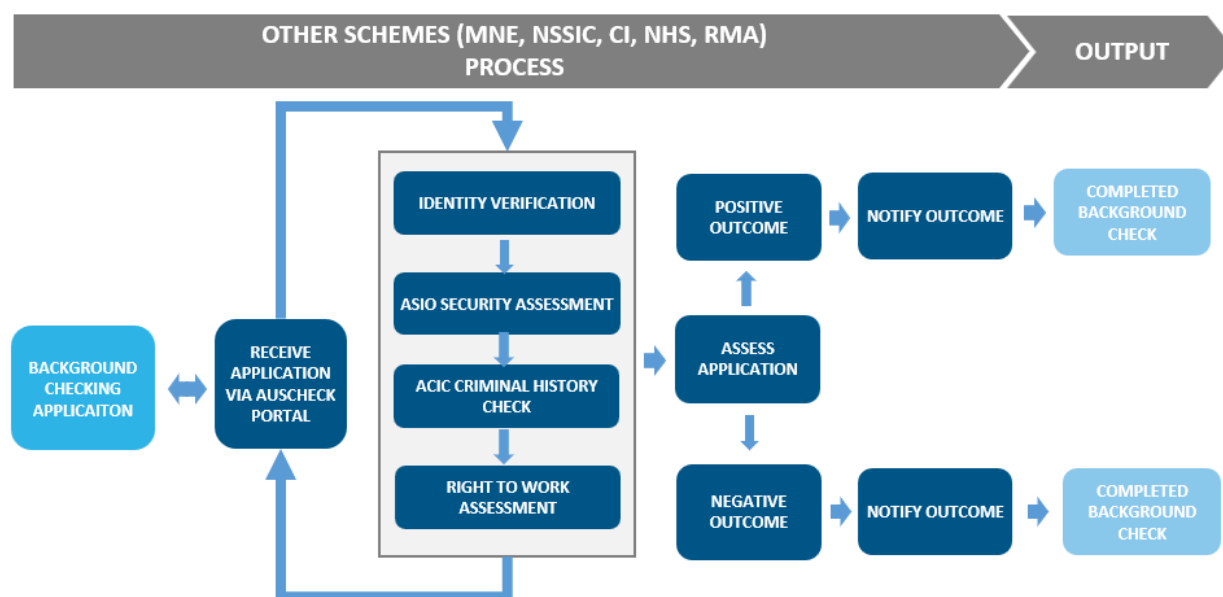


Diagram 2: Other Schemes Background Check - Breakdown of Processes and Outputs



3.2. Cost of Activities, Outputs and Business Processes

3.2.1 Activity Costs

The costs associated with AusCheck's background checking and card issuing activities include a combination of direct and indirect costs.

Direct Costs

Direct costs are expenses that can be directly attributed to the activities involved in conducting a background check or issuing an identity card. Examples include:

- **Checking Partner Charges:** Costs incurred from third-party external agencies, such as ASIO and the ACIC, for services including criminal history checks, criminal intelligence assessments, and national security assessments. These are essential components of each individual background check, and the checking partner charges are directly attributed to the applicants undergoing these background checks.
- **Development and Maintenance of the AusCheck System:** Expenses related to the development, operation, and ongoing sustainment of the AusCheck system and application portal, which are critical for processing background checks efficiently.
- **Staffing Expenses:** Costs associated with AusCheck staff directly involved in processing background check applications and undertaking card issuance work, as well as staff involved in administration work and other core functions necessary for the efficient operation of AusCheck.

Direct costs are allocated to specific outputs to help determine the costs of particular services AusCheck offers. Checking partner charges are directly charged as part of the fee for each background check or identity card, as they can be allocated to a specific application. Other direct costs form cost pools that are allocated to specific outputs based on the estimated share of total effort from that cost pool. For example, the direct costs associated with an ASIC or MSIC background check include the checking partner charges associated with that specific application, as well as a portion of staffing and system maintenance costs based on ASIC/MSIC volumes compared to background checking volumes in other schemes.

Indirect Costs

Indirect costs are those not directly attributable to an output such as a background check or identity card issuance, but are necessary for the overall functioning of AusCheck's operations. Examples include:

- **Departmental Overheads:** Costs related to rent, HR services, finance, standard ICT services and general office administration.
- **Stakeholder Engagement:** Expenses incurred for activities such as industry meetings, forums, and other forms of stakeholder engagement, which are vital for maintaining communication and ensuring compliance with regulatory standards.
- **Depreciation:** Depreciation of AusCheck's system.

Indirect costs are allocated to specific outputs to help determine the costs of particular services AusCheck offers. As indirect costs cannot be specifically tied to individual applications, they are proportioned based on the estimated share of total effort across all outputs. For example, costs related to departmental overheads are attributed to the cost of an ASIC or MSIC background check based on the proportion of staff effort associated with the delivery of that category of background check.

Indirect costs make up a small portion of AusCheck's total costs, approximately 9 per cent of total costs. The breakdown of direct and indirect costs is detailed below in Table 3.

Table 3 AusCheck Breakdown of Direct and Indirect Costs 2021-22 to 2023-24

Category	Cost Type	2021-22	2022-23	2023-24
Expenditure Direct Costs	Employee Expenses	3,510,980	4,795,057	8,749,866
	Supplier Expenses	6,149,704	15,475,223	14,861,601
	Total Direct Costs	9,660,683	20,270,279	23,611,467
Expenditure Indirect Costs	Corporate Overheads	968,192	1,449,290	2,538,498
	ICT	1,671,883	1,271,591	2,978,832
	Property	210,859	312,430	359,310
	Depreciation	2,242,048	3,345,405	5,710,983
	Total Indirect Costs	5,092,983	6,378,716	11,587,623
Total Expenditure		14,753,666	26,648,995	35,199,090
Total Revenue		11,797,627	13,626,936	14,528,578
Variance		(2,956,039)	(13,022,059)	(20,670,512)

3.2.2 Cost Drivers

Key cost drivers influencing the overall cost of AusCheck's activities include;

- **Volume of Applications:** Higher application volumes lead to increased direct costs, particularly in staffing and checking partner charges.
- **New Schemes and Responsibilities:** Expansions to AusCheck's background checking and card issuance remit increase costs, especially in areas such as stakeholder engagement and policy development.
- **Technological Upgrades:** Costs associated with maintaining and upgrading the AusCheck system, particularly when new schemes and functions are introduced.

3.2.3 Volume Drivers

The volume of background checking and card issuance work delivered by AusCheck has increased over time, driven by factors such as the expansion of AusCheck's remit to include new schemes like Major National Events and SOCI, as well as growth in the number of workers in regulated sectors.

Future volume increases could be driven by:

- the addition of further schemes under AusCheck's responsibility
- changes to policy settings that increase the demand for background checks and identity cards in particular sectors
- an increase in the number of Major National Events hosted by Australia.

The historical background checking volumes associated with each scheme over 21-22 to 23-24 financial years is detailed in Table 4.

Table 4: Actual Scheme Volumes 2021-22 to 2023-24

Card Type	2021-22	2022-23	2023-24
Aviation Safety Identification Card (ASIC)	76,573	92,112	95,837
Maritime Security Identification Card (MSIC)	37,422	39,974	42,812
Critical Infrastructure Background Checks (CIBC)	-	-	972
National Health Security Card (NHSC)	396	519	395
Naval Shipbuilding and Sustainment Identity Card (NSSIC)	34	160	6,608
Major National Events (MNE)	-	45,926	14,034
Total	114,425	178,691	160,658

3.2.4 Cost Averaging Approach

To ensure pricing consistency and minimise the need for frequent fee adjustments, AusCheck averages costs across its schemes over a four-year period. This approach accounts for fluctuations in demand, helping to stabilise fees and make them more predictable for stakeholders. By averaging costs, AusCheck maintains equitable pricing across different application types, ensuring that no single group bears a disproportionate share of the costs, consistent with the Australian Government Charging Policy.

3.2.5 Checking Partner Charges

Certain activities related to background checks are delivered by third party agencies who charge AusCheck for their services. The costs associated with these services are agreed with the checking partner and are included in the overall cost of AusCheck's services.

As of 1 July 2024, checking partner charges include services provided by the ACIC for criminal history checks and ASIO for national security assessments. These charges are detailed in Table 5. The prices for these services recently increased on 1 July 2024, but due to a temporary price freeze this increase has not yet been passed on through AusCheck's fees, which have remained unchanged since 1 July 2023.

Table 5: Checking Partner Charges

Checking Partner	As of 1 July 2024
ACIC	\$28.00 per check
ASIO	\$40.00 per check

3.2.6 Situations When Fee Changes Could Occur

There are three key scenarios which may result in AusCheck changing its fees:

- The Australian Government makes regulatory changes to an existing background checking scheme by changing the types of information reviewed or the manner of reviewing information or introduces new background checking schemes to be delivered by AusCheck.
- One of AusCheck's checking partners changes the charges they impose on AusCheck, in which case the new charges may be passed on.
- A significant change in the demand for AusCheck's background checking services, which may result in fees changing to ensure recovery of operational costs and consistent pricing across comparable services.

If AusCheck fees change, AusCheck will consult with affected industry participants early in the change process.

3.3. Design of Cost Recovery Charges

AusCheck's regulatory fees follow a 'fee-for-service' model, where the fee charged to each applicant reflects the delivery cost of the specific service they require. The two core services are conducting a background check and, where relevant, issuing an identity card. This model ensures that the costs associated with each service are recovered fairly and transparently. AusCheck's regulatory charges are also reviewed regularly to align with changes in demand and costs. The cost of all AusCheck's service offerings across all schemes is detailed in Table 6.

3.3.1 Charging Design

While AusCheck administers a range of schemes, the activities and enabling costs involved are largely consistent across schemes. Whenever possible, AusCheck ensures that costs remain the same for comparable services, with comparable background checking and card issuance activities attracting the same price. Commonwealth entities are also charged the same prices for clearances as non-Commonwealth applicants.

Where possible, costs directly associated with a specific application are charged directly to that applicant. For example, the cost associated with an ACIC criminal history check is included in the cost for a background check. In other cases, costs related to background checking and card issuing are aggregated into cost pools, which are allocated to specific services based on the effort associated with those services to help design the cost recovery charge.

3.3.2 Rationale for Averaging Costs

Once the total cost of delivering each service has been determined, these costs are averaged over four years, and that average cost becomes the cost recovery charge for the service. This cost averaging process serves several purposes:

- **Demand Smoothing:** By spreading costs over a longer period, AusCheck mitigates the impact of any single year's atypical demand or expenditure on prices. For example, a spike in Major National Event background checking demand in one year due to a major sporting event would cause a significant price shift for that service compared to other years.
- **Price Stability:** Since AusCheck operates on a cost recovery basis, averaging costs over multiple years and schemes where the activities involved are the same helps smooth out the effects of fluctuations in AusCheck's operational costs, which would otherwise necessitate a temporary price increase.
- **Equity over Multi-Year Application Cycles:** Some of AusCheck's schemes operate on 2 or 4 year application cycles. Variable costs between years could result in applicants for a 2-year ASIC paying different amounts compared to other applicants due to unpredictable price changes in their renewal year. Smoothing prices over a longer period via cost averaging minimises this equity issue.

3.3.3 Special Considerations

Specific considerations in AusCheck's operations are outlined below.

Competitively Neutral ASIC/MSIC Pricing: In the ASIC and MSIC market, AusCheck operates alongside private issuing bodies that also provide card issuance services. To ensure a level playing field and to comply with relevant policy standards, AusCheck charges a competitively neutral price for its background checks and identity card services. This price is currently set at \$249.50 for a background check with an identity card.

Grace Period for Private Issuing Bodies: To allow private issuing bodies time to adjust to a new cost structure following recent Issuing Body Reform being announced, a grace period was implemented with entities charged a rate of \$92.00 for background checking services, consistent with the legacy price.

Discounts for Applicants Under 18: AusCheck offers a discounted rate for background check applicants under the age of 18, for schemes where these applicants are eligible. This discount reflects the reduced scope of background checking activities for these candidates.

4-Year MSIC: AusCheck offers a 4-year MSIC background check, with a charge comprising double the 2-year MSIC fee as a second check is required at the 2-year mark. This service attracts only one card issuance fee, as the provided card lasts for four years.

Table 6: AusCheck fees as of 1 July 2024

Output name	Background Check	Identity Card	Total
2-year ASIC or MSIC (adult)	\$92.00	\$157.50	\$249.50
2-year ASIC or MSIC (under 18)	\$38.00	\$157.50	\$195.50
4-year MSIC (adult)	\$184.00	\$157.50	\$341.50
Security Sensitive Biological Agents (National Health Security Checks)	\$136.00	N/A	\$136.00
Major National Event (adult)	\$136.00	N/A	\$136.00
Major National Event (under 18) ¹⁵	\$55.87	N/A	\$55.87
Security of Critical Infrastructure (Critical Infrastructure Background Checks)	\$136.00	N/A	\$136.00

4. RISK ASSESSMENT

4.1. Charging Risk Assessment (CRA)

Implementation Risks:

- **Proposed Change in Annual Cost Recovery Revenue:** The adjustment to AusCheck's cost recovery operations, effective from 1 July 2023, involved a projected increase in annual revenue exceeding 10%. This significant change requires careful analysis to ensure effective implementation and risk mitigation.
- **Total Proposed Annual Cost Recovery Revenue:** Anticipated to exceed \$20 million, this substantial figure necessitates robust management to maintain the cost recovery framework's sustainability and effectiveness.
- **Nature of Policy Proposal or Change:** The proposal involves restructuring existing cost recovery charges and/or altering the payer composition, affecting the structure and range of payers, rather than changing charge levels or introducing new activities.
- **Type of Cost Recovery Charges:** The changes will involve fees only or a mix of fees and levies, streamlining the cost recovery process and clarifying charge application.
- **Legislative Requirements:** The changes are governed by existing regulations or determinations, not requiring an Act of Parliament, thus simplifying legislative requirements.
- **Collaboration with Other Entities:** The proposal is independent of other Commonwealth, State/Territory, or local government entities, reducing complexity.
- **Expected Impact on Payers:** The impact on payers is assessed as low, considering factors like charge changes, affected individuals, cumulative effects from other regulations, and economic conditions.

¹⁵ Major National Events scheme does not have separate provisions for Under 18 applicants, unless through Ministerial Determination. Should the Minister for Home Affairs determine the background check for an Under 18 applicant does not include a criminal history check, this charge will apply.

- **Consultation with Payers and Stakeholders:** Consultation has revealed no significant issues, suggesting smooth implementation of the proposed changes.

Overall CRA Rating: The overall CRA rating for the changes implemented during 2023-24 is assessed as Medium. While the adjustments and revenue implications are significant, the overall risk remains manageable. This is attributed to the minimal impact on payers, the absence of major legislative changes, and the lack of significant concerns raised during consultations. Consequently, there is no requirement for the Finance Minister to agree the AusCheck Cost Recovery Implementation Statement on these changes.

AusCheck's CRA (**Attachment A**) will be updated as required to reflect any changes and ensure continued alignment with risk management strategies.

4.2. Risk Management

In fulfilling its responsibility for managing risks associated with its background checking and card issuance activities, AusCheck has implemented proactive risk mitigation measures to ensure the integrity, security, and continuity of its operations. These measures include:

- **Formal Operating Policies and Procedures:** AusCheck has developed and routinely updates its operating policies and procedures to ensure staff handle sensitive client data in compliance with the *Privacy Act 1988*, information restriction requirements under the *AusCheck Act 2007* and other relevant legislation. Staff members undergo regular training on data protection protocols and are well-versed in the latest privacy requirements and best practices.
- **Security Clearance Procedures:** AusCheck staff who access sensitive information are required to undergo security clearance procedures. This includes background checks and ongoing monitoring to ensure that only individuals with the appropriate clearance levels handle sensitive data. For instance, access to critical systems is restricted to staff with at least Baseline clearance, and any changes to an employee's security status are immediately reviewed and acted upon to prevent unauthorised access.
- **Comprehensive Operating Procedures:** AusCheck's operating procedures are underpinned by legislation, ensuring that all information is appropriately protected and managed. These procedures include detailed steps for verifying the identity of applicants, processing applications, and securely storing data. Specific examples include the use of multi-factor authentication for system access and regular updates to encryption protocols used for data transmission and storage.
- **Regular ICT Threat and Risk Assessments:** The department conducts regular ICT threat and risk assessments, including penetration testing, to safeguard its systems against malicious and unauthorised access. These assessments involve simulated attacks to identify vulnerabilities, which are then addressed through targeted system updates and patches.
- **Comprehensive ICT Maintenance Process:** To ensure continuity of service and minimise system downtime, AusCheck has implemented a thorough ICT maintenance process. This process includes regular system updates, hardware checks, and performance monitoring. For example, a routine maintenance window is scheduled during off-peak hours, during which critical systems are updated and backups are performed, ensuring that potential issues are identified and resolved with minimal disruption to service delivery.
- **Ongoing Monitoring and Management of Cost Recovery Arrangements:** AusCheck continually monitors and manages its cost recovery arrangements to ensure sustainability and alignment with service delivery costs. This includes regular reviews of fee structures and changes in demand or operational costs.
- **Discretionary Card ASIC/MSIC applications:** Discretionary card applicants are assessed prior to the issue or refusal of a card in accordance with the aviation and maritime regulatory framework, which includes:
 - the nature of the offence the person was convicted of

- the length of the term of imprisonment imposed
 - conduct and employment history since the sentence/suspended sentence was imposed and
 - anything else relevant that the Secretary knows, including open source information.
- **Governance of Discretionary Applicants Holding Expired ASIC/MSIC Cards:** Governance includes notification to relevant compliance teams within the Department.
 - **Information Sharing:** Information is shared, consistent with legislative requirements, between the Australian Criminal Intelligence Commission, the Australian Border Force, Australian Federal Police, and relevant compliance teams within the Department to support operational targeting and compliance of discretionary cardholders.

These measures demonstrate AusCheck's proactive and comprehensive approach to risk management, highlighting its commitment to maintaining high standards of security, compliance and operational continuity. By continuously reviewing and enhancing its risk mitigation strategies, AusCheck ensures the ongoing protection and reliability of its background checking processes.

5. STAKEHOLDER ENGAGEMENT

5.1. Stakeholder Engagement Strategy

AusCheck aims to support our stakeholders both internal and external through targeted, timely and professional engagement services to mitigate malicious and trusted insider personnel risks.

We achieve this by engaging regularly with industry, communicating in plain English and leveraging existing departmental and industry networks/channels.

The appropriate level of engagement is key. All engagement methods have benefits and limitations and subject to regular review to ensure that the method best fits the environment, person or opportunity including:

- **Inform:** To inform or educate stakeholders in one way communication activities. There is no invitation or expectation to respond. Methods include: Departmental websites and social media, Fact sheets, newsletters, podcasts, forums & public presentations.
- **Consult:** To gain information and feedback from stakeholders to inform decisions made internally. Limited two-way communication, ask questions, stakeholder provides answers. Methods include: Surveys, focus groups, one to one meetings, public meetings, online feedback.
- **Involve:** To work directly with stakeholders throughout the process to ensure that issues and concerns are understood and considered. Two way or multi-way communication where learning takes place on both sides. Method include: multi-stakeholder forums, working groups, advisory panels and workshops.
- **Collaborate:** To partner with stakeholders for the development of mutually agreed solutions and joint plan of action. Two way or multiway communication where learning, negotiation and decision making on both sides. Stakeholders work together to take action. Methods include: industry/sector groups, joint projects, co-design and partnerships.
- **Timely:** To delegate decision making to the stakeholders on a particular issue. Stakeholders are enabled and equipped to actively contribute to the outcomes. Methods include: Integration of stakeholders into governance structure.

5.1.1 AusCheck Service Standards

AusCheck commits to providing high quality, professional service to its various stakeholders via the AusCheck Service Charter which includes, but is not limited to:

- **Our mission:** AusCheck's mission is to provide fast, fair and reliable background checking services. This will enhance national security to advance national interests.

- **Our vision:** We aim to deliver excellence in national background checking services.
- **Our values:** We have a commitment to AusCheck's mission of enhancing national security. Our values include:
 - Impartiality
 - A commitment to service
 - Accountability
 - Respectfulness
 - High ethical standards

5.1.2 Standards of Service

AusCheck is committed to providing professional and consistent service. We will treat all engagements in confidence, and:

- act in a helpful and professional manner.
- give an accurate, concise and well-considered reply, in plain English.
- give system access of 99% agreed availability time. Agreed availability means notifying our stakeholders of planned outages, for example for system maintenance.
- acknowledge 100% of all applications in 1 business day.
 - provide timely responses to applications. Noting most applications progress through the AusCheck background checking process within a short period of time. Some applications may take longer due to various factors relating to the criminal history and security assessment process. Once an application is endorsed by an issuing body, organising body or responsible entity and the applicant's identity is verified, it proceeds to the background checking partner agencies and the results are then returned to AusCheck. As a guide, applications should be submitted at least 6 weeks prior to an operational need to allow sufficient time for background checking, processing, card creation and dispatch.
 - Note: Applicants should contact the issuing body, organising body or responsible entity that they submitted their application through if requesting a progress update.
- Provide upfront information if there is a fee for the services requested.

5.2. Summary of Recent Engagements

During the 2023-2024 financial year AusCheck undertook a variety of engagement activities with industry including advisory group meetings, presentations at forums and conferences, as well as focus groups and workshops with different industry sectors. These engagements were conducted through a variety of formats such as in-person presentations, group activities and virtual meetings (small and large audience of stakeholders).

5.3. Stakeholder Views

AusCheck conducts regular stakeholder surveys, meetings, workshops, and telephone conferences to share information and engage in a meaningful way with stakeholders. AusCheck also provides a dedicated helpdesk facility to be responsive to stakeholder queries, support swift and accurate resolution of issues as they arise, and accept feedback.

AusCheck engages with industry regarding its fees and cost recovery. The Department of Home Affairs checking partner agencies, ACIC and ASIO are regularly consulted. AusCheck also consults with ASIC and MSIC Issuing Bodies at industry forums.

6. FINANCIAL ESTIMATES

6.1. Current and Forward Estimates

Table 7 outlines the financial estimates of providing background checking and card issuance services. This table will be updated as required (see also Section 6: Key Forward Dates and Events).

Table 7: Estimated Expenses and Revenue

	2024-25	2025-26	2026-27	Total
Expenses (X)	\$43,357,000	\$45,629,000	\$41,248,000	\$130,234,000
Revenue (Y)	\$44,700,000	\$51,700,000	\$39,800,000	\$136,200,000
Balance (Y - X)	\$1,343,000	\$6,071,000	(\$1,448,000)	\$5,966,000
Explain material variance	Variance is seasonally affected by AusCheck's application cycle (Diagram 3), in which applicants return for clearances every two years for some schemes, while revenue related to Major National Events depends on the frequency of events across years. AusCheck aims to keep prices consistent to ensure equitable outcomes for applicants despite annual demand variance, which results in high and low revenue years. Going into the 2024-25 financial year and beyond, AusCheck will continue to perform periodic reviews of revenue against expenditure. If projections indicate future under- or over-recoveries, AusCheck will review its fees accordingly.			

Diagram 3: Yearly Application Cycle from 2012 to 2024



6.2 Potential Impact on Financial Estimates

Changes to relevant policies can impact AusCheck's demand volumes. For example, amendments to the MSIC scheme in 2010 introduced biennial checks, leading to increased demand and revenue. Since the 2018-19 financial year there have been several policy changes that have directly impacted AusCheck's service delivery and regulatory charging. Examples include:

- **Criminal Intelligence Assessment integration:** From June 2022, background checks for ASIC and MSIC applicants have expanded to include criminal intelligence assessments delivered by ACIC.
- **Addition of new schemes:** Policy changes have led to AusCheck taking on responsibility for new background checking schemes over time. Examples include background checks supporting critical infrastructure entities to manage their trusted insider risks and supporting the delivery of major national events such as international sporting events through background checking of employees and volunteers.

Policy changes of this kind are contingent upon decisions of Government, and similar future decisions would necessitate updates to AusCheck's regulatory charging approach. AusCheck regularly reviews its expenses, revenue and charging arrangements to ensure all schemes are cost recovered and the appropriate alignment of expenses with revenue. Based on these regular reviews, and in consultation with Government, AusCheck

will adjust prices for all delivered services to ensure cost recovery and appropriate distribution of costs across all schemes.

7. FINANCIAL PERFORMANCE (HISTORICAL)

7.1. Financial Outcomes

Table 8 details AusCheck actual expenses and revenue for the background checking activity since 2020-21.

Table 8: Actual Expenses and Revenue (\$)

	2020-21	2021-22	2022-23	2023-24
Expenses (X)	\$15,016,000	\$14,770,000	\$26,627,000	\$34,602,000
Revenue (Y)	\$10,438,000	\$11,798,000	\$13,627,000	\$28,700,000
Balance (Y-X)	(\$4,578,000)	(\$2,972,000)	(\$13,000,000)	(\$5,902,000)
Material Variances Explained	<p>AusCheck's recent under-recovery of revenue is primarily a result of delays in the ongoing work associated with the establishment of a Single Issuing Body, as well as the delivery of Major National Events for which costs could not be recovered.</p> <p>AusCheck has been undertaking work to establish a Single Issuing Body for Aviation and Maritime Security Identity Cards. Recovery of revenue is dependent on the transition of cardholders to the Single Issuing Body, which has been subject to a number of delays and scheduling changes.</p> <p>In addition, AusCheck's expanding remit now includes background checks for workers associated with Major National Events, and costs associated with delivering checks for some of these events could not be recovered.</p>			

8. NON-FINANCIAL PERFORMANCE

8.1. Metrics for Non-Financial Performance

In addition to financial metrics, assessing AusCheck's non-financial performance is essential for ensuring operational efficiency and service quality. Non-financial performance metrics are included in the Department's Annual Report to assess the effectiveness of AusCheck's background checking processes and the timely support for issuance of security identification cards. These metrics reflect the Department's commitment to maintaining high standards in service delivery and operational performance.

As at 1 July 2024 AusCheck was responsible for two non-financial performance metrics in the Department's Annual Report:

- **Target 9:** AusCheck's components in the background checking process are completed in 5 business days or less for 98 per cent of checks.
- **Target 10:** The time taken to finalise received applications for aviation security identification cards (ASICs) and maritime security identification cards (MSICs), including identity assurance, lodgement processing and card issuance, remains stable or is reduced.

8.2. Performance Against Metrics

To evaluate performance in meeting the established non-financial metrics, AusCheck reports actual outcomes against the targets set as part of the Department's Annual Report. The following analysis considers

performance against the selected Annual Report metrics in 2023-24, highlighting the efficiency and effectiveness of AusCheck's background checking processes.

Target 9:

- **Metric:** AusCheck's components in the background checking process are completed in 5 business days or less for 98 per cent of checks.
- **Rating:** Met.
- **Details:** As at 30 June 2024, AusCheck's components in the background checking process were completed in five business days or less for 99.2 per cent of checks undertaken.

Target 10:

- **Metric:** The time taken to finalise received applications for aviation security identification cards (ASICs) and maritime security identification cards (MSICs), including identity assurance, lodgement processing and card issuance, remains stable or is reduced.
- **Rating:** Not met.
- **Details:** As at 30 June 2024, applications for ASICs and MSICs, which the department's AusCheck function are directly responsible for processing, took an average of 10.7 calendar days to finalise. Applications for ASICs and MSICs took 9.9 days during 2022–23.

8.3. Date Metrics Were Last Reviewed

Regular reviews of performance metrics are essential to ensure their relevance and accuracy. AusCheck's non-financial performance metrics are routinely assessed, with Target 10 introduced in the 2022-23 financial year to drive improvements in the overall efficiency of the ASIC and MSIC schemes administered by AusCheck.

9. KEY FORWARD DATES AND EVENTS

9.1 Schedule for Updates to the CRIS

To keep the AusCheck CRIS up-to-date and relevant, Table 9 provides a schedule for planned updates and reviews, ensuring it reflects necessary changes and continues to meet regulatory and operational needs.

Table 9: Schedule for Updates to the CRIS

Date	Event
2026-27 financial year	Review and update CRIS to reflect changes as required.

9.2. Portfolio Charging Review Date

Table 10 outlines the key dates concerning the scheduled portfolio charging review that AusCheck will be subject to. The review will assess portfolio charging practices to ensure alignment with government policies and budgetary considerations.

Table 10: Portfolio Charging Review Schedule

Date	Event
2025	Department of Home Affairs Portfolio Charging Review
May 2026	Portfolio Charging Review outcomes considered through Budget 2026-27.

10. CRIS APPROVAL AND CHANGE REGISTER

Table 11 details the approval and certification history of the AusCheck CRIS, documenting key dates and authorities involved in its validation and agreement.

Table 11: CRIS Approval and Change Register

Date	Description	Approved by
May 2025	Update CRIS to June 2024	First Assistant Secretary, Cyber and Infrastructure Security
June 2015	Ministerial Agreement to the previous AusCheck CRIS	Minister for Justice
May 2015	Certification of the previous AusCheck CRIS	Secretary of the Attorney-General's Department

11. APPENDICES

11.1 Attachment A – Charging Risk Assessment (CRA) for regulatory activities

Implementation risks	Low		Medium		High	
1. What is the proposed change in annual cost recovery revenue for the activity?	<input type="checkbox"/>	<5%	<input type="checkbox"/>	5 < 10 %	<input checked="" type="checkbox"/>	>10% Or New
2. What is the total proposed annual cost recovery revenue for the activity?	<input type="checkbox"/>	0 - \$10m	<input type="checkbox"/>	\$10m < \$20m	<input checked="" type="checkbox"/>	\$20m +
3. What does the policy proposal or change in the cost recovered activity involve?	<input type="checkbox"/>	Change in the level of existing cost recovery charges	<input checked="" type="checkbox"/>	Change in the structure of existing cost recovery charges and/or composition of payers	<input type="checkbox"/>	Introduction of cost recovery for a new activity or for an existing activity (or its components) that has not been cost recovered previously
4. What type of cost recovery charges will be used?	<input type="checkbox"/>	Levies only	<input checked="" type="checkbox"/>	Fees only or fees and levies	<input type="checkbox"/>	Fees, levies and other charges
5. What legislative requirements are necessary for imposition of cost recovery charges?	<input checked="" type="checkbox"/>	Does not involve an Act of Parliament (e.g. Regulations, Determinations etc)	<input type="checkbox"/>	Involves an Act of Parliament (e.g. enabling Act or levy imposition Act)	<input type="checkbox"/>	Requires State/Territory legislative changes or referral of powers to the Commonwealth
6. Does the proposal involve working with other Commonwealth, State/Territory and/or local government entities?	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Yes - with Commonwealth entities only	<input type="checkbox"/>	Yes – with Commonwealth and State/Territory entities
7. What will be the expected impact of cost recovery on payers? <i>This may depend on, among other things:</i> <ul style="list-style-type: none"> • the change in the level of charges • the number of people affected • the cumulative effect from other government charges/regulation • the economic conditions etc. 	<input checked="" type="checkbox"/>	Low	<input type="checkbox"/>	Medium	<input type="checkbox"/>	High
8. What consultation has occurred with payers and other stakeholders about the proposed cost recovery?	<input checked="" type="checkbox"/>	Consulted - no significant issues raised	<input type="checkbox"/>	Consulted – significant issues raised but can be addressed	<input type="checkbox"/>	Not consulted <u>or</u> consulted and significant issues raised but ongoing sensitivities

Overall CRA rating:	<input type="checkbox"/>	LOW	<input checked="" type="checkbox"/>	MEDIUM	<input type="checkbox"/>	HIGH
Supporting analysis: See Section 4 of the AusCheck CRIS.						
Entity sign-off:	Date	Finance comment			Date	